

### **FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
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**Legislation Title:**

AN ORDINANCE relating to City employment; authorizing the execution of a collective bargaining agreement between the City of Seattle and the International Association of Machinists and Aerospace Workers, District Lodge 160, Local 79 to be effective January 1, 2012 through December 31, 2013; providing payment therefor; and ratifying and confirming prior acts.

**Summary of the Legislation:**

This legislation authorizes a collective bargaining agreement between the City and the International Association of Machinists and Aerospace Workers, District Lodge 160, Local 79 ("Local 79") providing for wages, healthcare, and other conditions of employment effective January 1, 2012 through December 31, 2013. This legislation affects approximately 31 City employees represented by Local 79. The employees are located in primarily in Seattle Public Utilities and City Light with one member in the Department of Finance and Administrative Services.

Union members' wages will increase by 2 percent for 2012 and 2.7 percent for 2013. Health care cost sharing will continue as agreed upon in the previous contract: the City will pay up to 7 percent of annual healthcare cost increases and then additional costs will be covered by the Rate Stabilization Fund. Once that Fund is exhausted, the City will pay 85 percent and employees will pay 15 percent of any additional costs. The City and the union agreed to maintain all other benefits and working conditions as provided in the agreement that expired on December 31, 2011.

**Background:**

The collective bargaining agreement between the City and Local 79 expired on December 31, 2011. Union members continued to work on condition that their wages, hours and other working conditions be negotiated. Union members ratified the agreement in December of 2013.

Please check one of the following:

☐ **This legislation does not have any financial implications.**

☒ **This legislation has financial implications.**

Labor Relations developed the estimates below to approximate the 2012-13 costs of ratifying the new agreement. Costs for 2012 were included in the development of the 2011-2012 biennial

budget. The affected departments expect to absorb back pay and ongoing costs within their existing budgets.

Local 79 members' base wages will increase by 2 percent for 2012, and 2.7 percent for 2013. The aggregate cost of wages and benefits for members is estimated to grow from \$3.5 million in 2011 to \$3.8 million in 2013.

**Other Implications:**

**a) Does the legislation have indirect financial implications, or long-term implications?**  
See above.

**b) What is the financial cost of not implementing the legislation?**  
If the contract is not legislated, employees will continue to receive the same wages that became effective on January 5, 2011. There may be additional legal risks associated with not implementing this legislation.

**c) Does this legislation affect any departments besides the originating department?**  
The Department of Finance and Administrative Services, City Light and Seattle Public Utilities are affected by this legislation. This proposed Council Bill will impact these departments' budget and to the extent provided in the collective bargaining agreement, the operational functions of their Local 79 union members.

**d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?**  
None.

**e) Is a public hearing required for this legislation?**  
No.

**f) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**  
No.

**g) Does this legislation affect a piece of property?**  
No.

**h) Other Issues:** None

**List attachments to the fiscal note below:** None